

School consolidation in New Hampshire

Some points for discussion

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Author

Daniel Barrick
Deputy Director

About this paper

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Write to: NHCPPS, 1 Eagle Square, Suite 510, Concord, NH 03301

Executive Summary

School Administrative Units (SAUs) have existed in some form in New Hampshire for almost a century. And for nearly as long, there have been debates over the size, layout and costs associated with these administrative bodies. The debate continues today, driven by several recent trends in the state's education system:

- Demographic pressure, most notably declining school enrollments,
- Declining state financial aid,
- Increased pressure on districts for reporting, assessment and accountability from state and federal governments.

The argument for school consolidation usually rests on a handful of assumptions. Most common is the basic concept of economies of scale, whereby adding students to a school unit (district or SAU) reduces per-pupil costs if the additional students do not result in an increase in fixed costs. And while there are examples from other states in which consolidation has achieved financial savings and other improved outcomes, predicting where that can be accomplished is difficult without a detailed understanding of local community circumstances. In most instances, the impacts (whether financial, educational or community) of school/district consolidation vary widely according to the particular circumstances of each case.

If anything, research and past examples suggest that policymakers should avoid devising a single, state-mandated approach to SAU/district/school consolidation policy. The body of literature on this subject – as well as New Hampshire's strong tradition of local control – advise against monolithic solutions to educational administration. Variations in student demographics, geography, school facilities, public will and community expectations will result in widely varied outcomes when it comes to school reorganization.

That said, the state has an interest in ensuring its policies don't *discourage* consolidation, and may want to shift the balance towards encouraging consolidation, where appropriate, with existing policy levers.

Thus, policymakers should assess the tools available to them in reshaping New Hampshire's school administrative structure, including state aid programs (particularly school building aid and the statewide adequacy formula), technical know-how and statutory tools that delegate powers to the state Board of Education and local communities.

Consolidation: What's to be gained? What's at stake?

School Administrative Units (SAUs) have existed in some form, and under some name, in New Hampshire for almost a century. And for nearly as long, there have been debates over the size, layout and costs associated with these administrative bodies.

Today, debates over the merit of the current structure of New Hampshire's education system continue, with several recent trends driving new interest:

- **Demographic pressure.** Declining school enrollments, not limited to rural and remote districts of the state, are leading communities to consider consolidation as a way to reinvigorate their school systems, streamline services and decrease expenses.
- **Declining state aid.** The multi-year moratorium on state aid for new school construction (set to be lifted in FY2015) has deferred difficult public conversations about what to do with aging school facilities that may be in need of repair or ripe for consolidation.
- **Increased pressure for reporting, assessment and accountability on districts from state and federal governments.** As the responsibilities of a school superintendent continue to grow, some wonder whether sharing those tasks across SAUs might ease the burden.

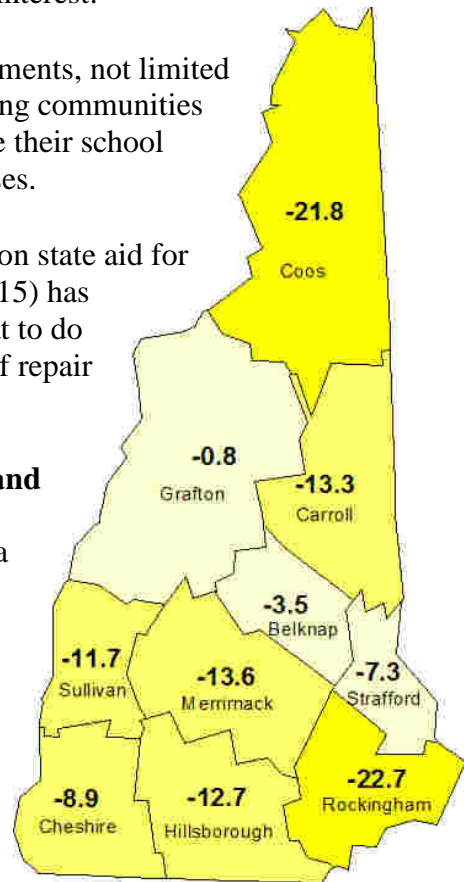


Figure 1: Projected percent change in population aged 5-19, 2010 to 2025

This policy note sets out to accomplish several goals: summarize the history of school district organization in New Hampshire; review past studies of the SAU system and consolidation in New Hampshire; review data on administrative costs in schools, both in New Hampshire and nationally; review recent national research on the costs and benefits of school/district consolidation; and propose questions to be explored in any further review of the merits of consolidation in New Hampshire's education system.

While research on the financial impacts of consolidation offer mixed conclusions, it does suggest that policymakers should avoid devising a single, state-mandated approach to SAU/district/school consolidation policy. The body of literature on this subject – as well as New Hampshire's strong tradition of local control – advise against monolithic solutions to educational administration. Variations in student demographics, geography, school facilities, public will and community expectations will result in widely varied outcomes when it comes to school reorganization.

School organization in New Hampshire: A brief history

School Administrative Units are corporations charged with overseeing the operations of school districts. Every school district in New Hampshire is required to belong to an SAU, and each SAU must provide “superintendent services” (though not, technically speaking, a “superintendent” to its member districts). Each SAU is governed by a board composed of members from the school boards of its member districts. SAUs can be composed of a single district, as is often the case in the state’s larger cities and towns, or of multiple school districts.

In most SAUs, a superintendent serves as the chief executive officer, often supported by an assistant superintendent, business manager and other staff. In short, the superintendent is the educational and administrative leader for the district, responsible for district-wide planning, evaluation, assessment, curriculum development, data analysis, and budgeting, among other duties.

It can be easy to confuse an SAU with a school district, but the two are distinct legal entities. And the relationships can sometimes be confusing, with multiple school districts often belonging to a single SAU.

We can take as an example SAU #24, which covers the towns of Henniker, Stoddard and Weare. The SAU includes four school districts: single-town districts for each of the three member towns, as well as the John Stark Regional School District. The SAU also operates three elementary schools (one in each member town), a single middle school, and a single high school, John Stark Regional High School. (However, Stoddard children do not attend the SAU 24 high school: Instead, they tuition to Keene High School.)

While each district has its own school board, responsible for school-level budgeting, such as salaries and maintenance costs, the SAU oversees matters such as transportation contracts, personnel and salary negotiations, curriculum coordination, and other matters that cross district lines. The SAU’s costs (mostly salary and benefits costs of SAU employees) are apportioned across the four member districts.

Most SAUs cover a K-12 school system, with a single high school that educates students from the member districts. Districts, on the other hand, may be limited to a specific grade span – kindergarten through 6th grade, for instance. In the example of SAU #24 above, the districts (and respective school boards) in Henniker, Weare and Stoddard each operate a single elementary school. The John Stark Regional District operates the high school, and all four districts are members of the SAU.

A small number of SAUs, however, do not have their own high school, and a handful do not operate any schools at all. In those cases, the SAU must arrange with another SAU to provide for its students’ education across all grade levels.

The organization of school administrative units in New Hampshire has evolved considerably over the past decades.

A timeline of school administration in New Hampshire¹

Mid-1800s: New Hampshire counts more than 2,300 school districts, most consisting of single-teacher, one-room school houses.

1895: The Town School Act declares each town to be a single school district, dropping the number of districts statewide to roughly 270.

1919: Sweeping education reform legislation results in the creation the School Supervisory Unit (precursor to the SAU). The six-member state Board of Education establishes the first 64 units. The purpose of these units was to improve the quality of education across the state by allowing districts to share resources. Most units were composed of two to four districts, with 11 cities designated as single-district units. Superintendents were salaried employees of the state, appointed by the state Board of Education.

1952: First cooperative school district in New Hampshire operates: Derry Cooperative

1963: “Authorized Regional Enrollment Area” law enacted, permitting another type of multi-district unit.

1963: 48 supervisory unions in New Hampshire.

1965: Change in state laws makes superintendents wholly employed and paid by the SAUs and their member districts.

1973: 42 supervisory unions in New Hampshire, the lowest number ever.

1979: Term “Supervisory Unions” changed to “School Administrative Units.”

1980s: Big growth in single-district SAUs, driven largely by enrollment increases in southern New Hampshire school districts.

1983: 53 SAUs in New Hampshire.

1987: Law limiting the number of SAUs statewide is repealed. Previously, state law had capped total SAUs to 50-60, in any given year.

1992: 67 SAUs in New Hampshire. State Board of Education issues moratorium on formation of new SAUs. RSA 186:11 I authorizes BOE to combine school districts.

¹ This history was assembled from several sources, including “A New Hampshire Education Timeline,” compiled by Douglas E. Hall & R. Stuart Wallace (2006); “The Organization of the New Hampshire School System: Dissolution or Evolution?” by John F. Teague & James A. O’Shaughnessy (2013); “The Future of the Supervisory Union in New Hampshire,” Joseph M. Cronin (1966); “Breaking Up Is Hard to Do: Understanding the Complexities of Dissolving or Modifying Existing Relationships Between School Districts,” Matthew H. Upton & James O’Shaughnessy (2014).

1996: Passage of RSA 194-C, revised SAU statute. A key change was the removal of the State Board of Education's veto power over a district's desire to withdraw from its current SAU.

2014: 92 SAUs in New Hampshire (95 if counting public academies and Joint Maintenance Agreement schools) according to state Department of Education.

In recent decades, responding to the steady growth in the number of SAUs in New Hampshire, a number of studies have sought to understand the source of that growth and the impacts on public finances, student achievement and other variables. (A summary of the findings and recommendations of some of the most recent formal analyses of New Hampshire's SAU and school district system can be found at the end of this report.)

Many of those analyses have concluded that shrinking (or capping) the number of SAUs, with required minimum enrollments, would be in the best interest of the state, its students, and taxpayers. However, there is little quantitative analysis in these studies that shows where – if at all – cost savings would be found through SAU or district consolidation.

It appears that the state's role has never been to actively map or organize SAUs, but to respond to the needs and desires of local districts.

In fact, from historical accounts, it appears that the state's main role has rarely been to impose the creation of a specific SAU on districts, but to respond to the needs and desires of local districts. This has been one major reason that many of the more sweeping recommendations of the past five decades' worth of analysis have come to naught. In fact, the historical trend has been towards increased local autonomy, and away from centralized state oversight of the SAUs system. This is most clear in the reduced role and authority of the state Board of Education in the process of SAU creation.

To get a better grasp of the potential financial savings from consolidation, we turn to the body of national research on the subject.

Does consolidation cut costs? A survey of the literature

The argument for school consolidation usually rests on a handful of assumptions. Most common is the basic concept of economies of scale, whereby adding students to a district will reduce per pupil costs if the additional students do not result in an increase in fixed costs. In addition, it is often argued that larger districts will be able to support more specialized teaching staff, thereby providing a wider, more diverse education to students.

There are often, however, other factors which can undercut any potential savings or advantages assumed in the above arguments. For one, average transportation costs may increase through consolidation, as a district or SAU must transport more students over a larger geographic area. Consolidation may also result in higher personnel costs,

especially if new salary agreements result in lower-paid staff from one district becoming newly eligible for higher wages and benefits once they are employed by a larger district.

Still, it must be said: Research offers few firm conclusions about the impact of consolidation. In most instances, the impacts (whether financial, educational or community) of school/district consolidation vary widely according to the particular circumstances of each case.

One important note: As stated earlier, a distinction must be drawn, at least in New Hampshire, between the consolidation of school *districts*, and consolidation of *SAUs*. A school district is a distinct political subdivision, with a single controlling school board. An SAU, on the other hand, can cover just a single school district or include multiple districts. School district costs include the usual things associated with education expenses: instruction, transportation, facilities maintenance, teacher salaries and benefits, etc. The costs associated with an SAU office are largely administrative, usually limited to the personnel costs associated with the superintendent office staff.

In terms of cost savings from consolidation, this means that combining existing SAUs will likely result in lesser savings unless that shift is accompanied by a parallel consolidation, to some degree, among the member school districts. In addition, the fact that superintendents in multi-district SAUs must report to multiple school boards has been raised numerous times in past discussions as a barrier to streamlining administrative responsibilities in the state's public schools.

Attempts to quantify costs savings associated with consolidation typically cover the following areas:

- Financial savings from consolidation are most likely when dealing with relatively small educational units. There is, however, wide disagreement about what constitutes a “small” school or district.²
- Transition costs are often associated with consolidation, though they may decline over time. These transition costs may include new construction costs to accommodate the shift in student population that results from consolidation.
- Research indicates that increasing school size initially brings positive returns both on cost savings and student outcomes, but these trends are reversed as size continues to increase beyond a certain point. Defining that point with precision, however, is subject to disagreement within the research literature.³

² Craig Howley, Jerry Johnson & Jennifer Petrie, “Consolidation of Schools and Districts: What the Literature Says and What it Means,” National Education Policy Center, February 2011.

Ulrich Boser, “Size Matters: A Look at School-District Consolidation,” Center for American Progress, 2013.

³ John Slate & Craig H. Jones, “Effects of School Size: A Review of the Literature with Recommendations,” *Essays in Education*, vol. 13, 2005. Joshua Barnett, Gary Ritter & Christopher Lucas, “Does Size Matter? School Consolidation Policy Issues in Arkansas,” University of Arkansas, Office for Education Policy,” 2004.

- Consolidation plans often overlook impacts beyond education costs, including residents' connections with existing schools, housing prices and economic activity in the wider community associated with a local school.

Few studies have compared school spending before and after consolidation occurs. However, one of the most widely-cited quantitative studies of this issue looked at data derived from 24 rural school districts in upstate New York that went through consolidation between 1987 and 1995, and compared their experiences to 190 other rural districts that did not consolidate over that period.⁴ The study attempted to estimate the cost impacts of district consolidation.

The study concluded that consolidation resulted in considerable economies in size in operations and capital expenses, but that the savings were largest when consolidation combined two very small districts (300 pupils or fewer). Specifically, the study found that doubling enrollment cut total costs per pupil by 28 percent for a 300-pupil district, and by 9 percent for a 1,500-pupil district. However, those savings were partially offset by increases in capital spending, especially in the short term, lowering savings by about 5 percentage points in both scenarios. This may stem, in the case of New York State, from increased school construction aid offered by the state to multi-town districts.

“The key lesson for state policy makers, we believe, is that they should carefully monitor post-consolidation capital spending,” the study reads. “They need to make certain that consolidation and the state aid given to support it do not result in capital projects that are not cost-effective.”

As the New York State study made clear, and other research confirms, there are often areas in which consolidation may lead to *diseconomies* of scale – increased expenses stemming from consolidation. These diseconomies of scale may vary considerably, depending on the unique circumstances of each case, and may include:

- Higher transportation costs,
- Labor relations effects (with greater bargaining power for the larger teaching staff that results from a consolidation),
- Lower motivation, effort and involvement among staff, students and parents. Larger schools may be perceived by staff as less flexible and having more layers of bureaucracy. Students in smaller schools may be more likely to participate in extracurricular activities and feel more connected to their teachers and administrators. And parents may be less likely to participate in school activities in larger schools.

⁴ William Duncombe & John Yinger, “Does School District Consolidation Cut Costs?” Center for Policy Research at Syracuse University. Nov. 2005

Other research indicates that larger districts (which, especially in rural regions, are highly correlated with larger schools) lead to lower student performance. School size seems to have more of an impact on school populations with high shares of low-income and minority students.⁵

The state of Maine offers a recent example of a state-centered effort to bring about greater school district consolidation. In 2007, citing declining enrollment and increased education costs, Maine lawmakers passed a law that aimed to reduce the number of smaller districts across the state. While larger districts and geographically-isolated districts were mostly exempt, districts with fewer than 2,500 students were required to consolidate. Those that failed to would face cuts in state education aid. By 2011-12, Maine's 290 districts had been reduced to 164 districts – far short of the original target of 80 districts. Since then, roughly 10 communities have voted to leave their newly consolidated, larger school unit.

A review by the *Portland Press-Herald* this year found that per-pupil administrative costs fell for newly consolidated districts – by about 12 percent, compared to a 3 percent reduction in administrative costs for districts that did not consolidate. However, the review also found that those savings did not generally result in lower overall spending, as the administrative savings were used to cover other education costs, such as expanded classroom programs or declines in state support.⁶ Districts where consolidation efforts proceeded smoothly reported improved education offerings for students, including expanded technology, expanded pre-Kindergarten and Kindergarten programs, and greater professional development.

Another review of Maine's recent experience found that political tensions presented the biggest obstacle to consolidation efforts.⁷ Districts considering mergers reported high levels of concern that joining a larger district would hurt their financial self-interest or reduce their ability to govern themselves.

School enrollment & costs in New Hampshire

Public school enrollment in New Hampshire has fallen more than 10 percent over the past decade, and population projections forecast that decline to continue through the coming decade or so. Statewide, the population of residents aged 5 to 19 years is projected to fall from 256,000 in 2010 to less than 222,000 by 2025, a decline of 13.4 percent. That decline is expected to vary considerably across the state, from virtually no change in Grafton County (less than 1 percent drop in the 5-to-19 year-old population) to declines of greater than 20 percent in Coos and Rockingham counties (see map on page 1 of this report.)

⁵ Valerie Lee and Julia Smith, "High School Size: Which Works Best and for Whom?" *Educational Evaluation and Policy Analysis*, Fall 1997. Kathleen Cotton, "School Size, School Climate, and Student Performance," Office of Educational Research and Improvement, U.S. Department of Education, May 1996

⁶ Gillian Graham, "Tax Relief Scarce in School Consolidations," *Portland Press-Herald*, Sept. 28, 2014.

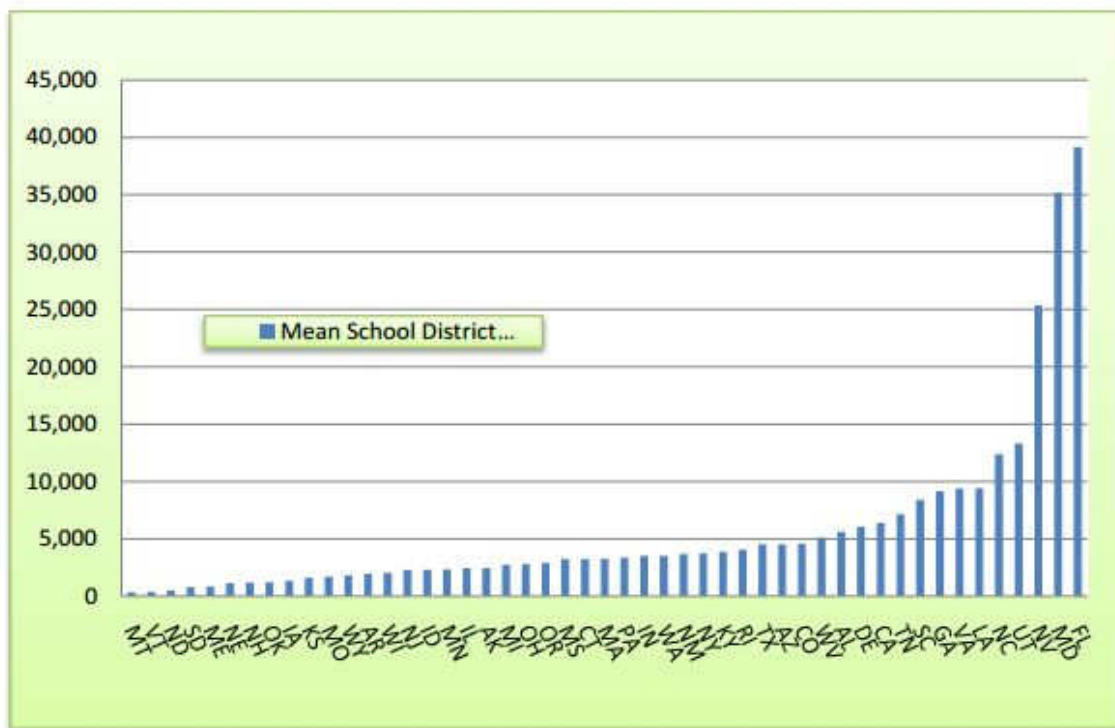
⁷ Janet C Fairman and Christine Donis-Keller: "School District Reorganization in Maine: Lessons Learned for Policy and Process," *Maine Policy Review*, Vol. 21, Issue 2

In addition, enrollment in New Hampshire's public charter schools has increased rapidly in recent years (from 81 students in 2004-05 to nearly 2,100 students in 2013-14). However, total charter enrollment represents just 1 percent of the state's public school enrollment.

New Hampshire's school districts tend to be much smaller than those elsewhere in the country. While 19.6 percent of public school students nationwide are enrolled in districts with 3,000 or fewer students, in New Hampshire nearly 60 percent of students are in districts of 3,000 or fewer.⁸

Compared to the rest of the country, average enrollment in New Hampshire school districts is among the smallest – seventh lowest in the nation in 2008-09 (Figure 2.)

Figure 2: Average Enrollment in Regular School Districts by State, 2008-09



Source: National Education Policy Center, "Consolidation of Schools and Districts," Howley, Johnson and Petrie (2011)

In fact, the vast majority of New Hampshire school districts (74 percent) contain 1,500 or fewer students. About half of districts (48 percent) have fewer than 500 students, and 15 percent of all New Hampshire school districts contain 100 students or fewer. Given enrollment trends, this overall tendency for smaller districts is likely to continue, in the absence of a movement towards consolidation.

⁸ 2012 Census of Governments: Finance - Survey of School System Finances

Figure 3: Trends in New Hampshire's education system, 2000-01 to 2012-13

	School year												
	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
# elem schools	315	317	316	316	316	316	317	317	316	308	307	305	301
# middle/JRHS	69	69	71	71	71	71	71	71	71	71	70	69	70
# high schools	78	78	79	79	80	79	79	80	81	82	81	80	81
# charter schools					6	7	8	11	11	11	10	11	17
total schools	462	464	466	466	473	473	475	479	479	472	468	465	469
total schools w/o charters	462	464	466	466	467	466	467	468	468	461	458	454	452
Single town districts	131	131	131	131	132	132	130	130	130	131	129	129	129
Cooperative districts	31	31	31	31	31	31	32	32	32	32	32	32	32
Districts w/o schools	14	14	14	14	14	14	13	13	14	14	14	14	14
# total districts	176	176	176	176	177	177	175	175	176	177	175	175	175
# SAUs	78	79	80	80	80	80	82	83	85	87	87	91	91
Public Academies	2	2	2	2	2	2	2	2	2	2	2	2	2
JMAs	1	1	1	1	1	1	1	1	1	1	1	1	1
Public enrollment	205,299	206,847	207,671	207,417	206,771	205,567	203,248	200,274	197,371	196,344	193,039	189,636	186,223
Charter enrollment					81	200	324	498	585	816	983	1,169	1,740
total enrollment	205,299	206,847	207,671	207,417	206,852	205,767	203,572	200,772	197,956	197,160	194,022	190,805	187,963
total w/o charters	205,299	206,847	207,671	207,417	206,771	205,567	203,248	200,274	197,371	196,344	193,039	189,636	186,223
average enrollment/district	1,166	1,175	1,180	1,179	1,168	1,161	1,161	1,144	1,121	1,109	1,103	1,084	1,064

Source: NH Department of Education

Figure 3 above summarizes some of these trends in enrollment and school administration:

- Since reaching a peak in 2002-03, total public school enrollment in New Hampshire has fallen by 9.5 percent.
- The number of public schools (not including charter schools) has declined by 10 since 2000-01, with all of the decline coming through consolidation or closure of elementary schools. The number of public high schools has actually risen since 2000-01 (from 78 to 81) as has the number of junior high schools (69 to 70). The sharpest growth has been in charter schools, which have gone from none to 17 in the past decade.
- While the number of school districts in New Hampshire has remained relatively steady since 2000-01, the number of SAUs has risen steadily over that period, from 78 in 2000-01 to 91 today.
- The size of the average school district in New Hampshire has declined by about 100 students from 2000-01 to 2012-13, from 1,166 students to 1,064 students.

New Hampshire school districts report annual expenses for both General Administration and Business (which covers costs associated with the SAU office) and School Administration (which includes administrative costs at the school level). In Figure 4 we look at the percentage of a district's total recurring expenses represented by both types of administrative expenses, categorizing districts by enrollment.

Figure 4: Administrative costs for New Hampshire districts, by enrollment

District enrollment	# of districts*	Gen. Admin expenses as % of total expenses	School Admin expenses as % of total expenses	Gen Admin per pupil	School Admin per pupil
<100 students	26	6.3%	5.6%	\$2,155	\$1,923
100-300	28	4.6%	4.7%	\$1,116	\$1,141
300-500	25	4.2%	4.7%	\$865	\$979
500-1,000	27	4.2%	5.3%	\$768	\$971
1,000-3,000	41	4.2%	5.4%	\$666	\$862
3,000-5,000	12	3.1%	5.2%	\$443	\$751
5,000+	2	2.7%	5.1%	\$325	\$608
Statewide	161	3.8%	5.2%	\$605	\$829
*14 New Hampshire districts that do not operate schools are not included here.					

We see that, as enrollment increases, general administrative expenses (those associated with district or SAU-wide functions) steadily decrease. In fact, general administration consumes more than twice as much of a district budget for districts with 100 students or fewer than it does for those districts with 3,000 students or more. However, school-level administration costs remain relatively similar regardless of district-wide enrollment, varying between 4.7 percent and 5.6 percent of each enrollment category. This seems to indicate that cost savings are most evident, not through combining individual schools, but by combining smaller districts into larger districts.

Questions for further discussion

As policymakers, educators, businesses and others consider whether to pursue further conversations about school, district and SAU consolidation in New Hampshire, they should keep in mind the following sets of questions.

1. What priority do policymakers assign to the various goals of school/district/SAU consolidation?

- **Efficiency** (school services being delivered more quickly, more efficiently, or less expensively);
- **Cost savings** (lower per-pupil costs);
- **Educational offerings** (a broader array of academic and extra-curricular opportunities for students);
- **Quality of student experience** (closer bonds among students, teachers, parents and administrators);
- **The role of the school** as a center of community;
- **Strong local decision-making.**

The decision to consolidate some function of school administration – either combining standalone SAUs or joining districts – will have an impact on each of the above areas. By

broadening the consolidation conversation beyond the question of cost-savings, policymakers will gain a better understanding of these broader impacts.

2. What tools does the state have to incentivize consolidation, or to assist districts considering consolidation to do so in the most productive manner?

- **Financial Aid:** For decades, the state offered aid for new building construction to multi-town districts. Multi-town cooperative districts could receive up to 55 percent reimbursement rates on construction costs under the state's old building aid program. However, in the package of reforms passed in 2012, legislators stripped the higher reimbursement rates for multi-town districts, thus eliminating one of the state's few financial incentives to encourage towns to consolidate their school systems. If increasing the number of multi-town districts is a goal, is increased state building aid a useful – and economical (at least from the state's perspective) – tool?
- **Technical know-how:** During New Hampshire's last big push for consolidation in the 1960s and 1970s, the state Department of Education actively encouraged individual districts to consider creating multi-town school systems – either cooperative districts (in which multiple towns come together to create a new school district) or AREAs (Authorized Regional Enrollment Areas), in which “sending” districts pay tuition to send their students to “receiving” districts, which operate the schools. Among the forms this encouragement took was in meetings between disparate communities, brokered by state officials. The effort was quite successful: In 1961, New Hampshire had just eight cooperative school districts, and no AREAs. By the late 1980s, there were 31 coops and 21 AREAs. What role might the state Department of Education play in a new discussion on consolidation?
- **Statutory tools:** For decades, the state Board of Education had the power to veto a district's decision to withdraw from an SAU. However, with revisions to state law in 1996, policymakers allowed districts to withdraw from an SAU over the opposition of other districts within the SAU and the state Board of Education. If policymakers see consolidation (or, at least, a halt to further SAU dissolution) as a valuable goal, they may want to reconsider restoring authority to the state Board of Education that would raise the bar for districts looking to leave an SAU.

In addition, current statutes may inhibit districts and SAUs from pursuing different, more flexible approaches to school administration. For instance, state laws on cooperative school districts requires a vote of the entire cooperative (i.e. each member community) to allow a single community to withdraw. State education officials say this type of requirement prevents districts from adopting new administrative models that reflect changing demographic, academic and economic trends.

3. What additional information is needed to better understand the challenges and opportunities of consolidation in New Hampshire?

- What do **demographic trends** at the district-level tell us about projections for student enrollment and variation across districts and regionally? Patterns of population and enrollment growth will likely be the most important factor for whether school, district and/or SAU consolidation makes sense for New Hampshire – and where in the state it is most feasible.
- What data is available on **existing age/condition of the state's public school facilities**? The state does not maintain an up-to-date database of age of plant for New Hampshire schools, and given the five year moratorium on state building aid (set to expire in FY2015), there is likely considerable backlog in deferred maintenance and new construction. Is there a way to better coordinate some anticipated construction/renovation projects with consolidation efforts?
- What **regional collaborations** now exist across New Hampshire's school districts and SAUs? There now exist several regional groups that help provide and coordinate educational services, including North Country Education Services, Southeastern Regional Education Service Center (SERESC), and Strafford Learning Center. These consortia provide a range of services to their member SAUs, including professional development, consulting, program services and staffing, and others. They are considered examples of successful collaborations between school systems that result in greater efficiencies for their members. How might they serve as models for further collaborations across systems? And what specific educational services offer the best opportunity for sharing across district/SAU lines?
- What is the relationship between school/district size, school quality and **student achievement**? National research in this area is not uniform in its conclusions, especially when attempting to account for other variables such as student economic status or racial/ethnic makeup. But it is important to consider the academic impacts of reshuffling students, if that is, in fact, one of the outcomes of any proposed consolidation plan.

In conclusion, research suggests that state policymakers should avoid a single, state-mandated approach to SAU/district/school consolidation policy. The body of literature on this subject – as well as New Hampshire's strong tradition of local control – advise against centralized solutions to educational administration. Variations in student demographics, geography, school facilities, public will and community expectations will result in widely varied outcomes when it comes to school reorganization.

This was one of the central findings in the course taken by Maine policymakers several years ago. A review of that state's school district consolidation efforts concluded that, while state leadership is important, "the policy should avoid a 'one-size-fits-all' approach

and instead allow flexibility for districts to achieve the goal of efficiency in different ways.”⁹

With that in mind, the fundamental question here is: What would a New Hampshire-specific approach to this issue look like?

⁹ Janet C Fairman and Christine Donis-Keller: “School District Reorganization in Maine: Lessons Learned for Policy and Process,” Maine Policy Review, Vol. 21, Issue 2

Appendix: Summary of past New Hampshire studies on school/district/SAU consolidation

1962 – Interim Commission Study

- Recommended greater support of cooperative schools districts
- Called for merger/consolidation of smaller schools
- Recommended reduction to 34 SAUs (through formation of cooperative school districts)

1966 – “The Future of the Supervisory Union in NH” (i.e. “The Cronin Report”)

Author recommends:

- 25 Educational Services Districts
- Each district should have 6,000+ students (3,000+ north of Plymouth)
- 50 staff professionals per 1,000 students
- High schools should have no fewer than 500 pupils
- State should have responsibility for reorganizing school districts (i.e. “consolidating”) “into units of large enough size to justify regular policy meetings.”
 - “Superintendents should report to a single board rather than to layers of boards, some for local communities with a separate board to approve the union budget.”
 - The number of districts per superintendent should be reduced to an average of two, and then to the single cooperative board for the Educational Services District.
- “Such consolidation is the only rational form of school system organization for a state as thoughtfully governed as New Hampshire.”

Of note: Public school instructional staff increased from:

- 3,400 in 1953-54
- 4,800 in 1961-62
- 6,100 in 1970
- Reasons: increased enrollment, rising teacher salaries, more specialists, increased attention to libraries, public health, guidance.

Report states: “New Hampshire leaders, however, must mark with interest and concern the outmigration of young citizens, the loss of population in some sections of the state, and the expected shift to the new technology and to an expansion of certain public and private services. Rather than remain constant, the organization of schools can be rearranged to meet the requirements of a changing society and a dynamic, innovative state economy.”

Report expresses concern about stretching superintendents too thin in asking them to cover a large geographic area, with several individual towns/school boards.

Notes that State of New Hampshire has a history of encouraging creation of cooperative school districts and multi-district SAUs, both for financial savings and “educational opportunity.”

Caution raised: Risk of too rapid consolidation without sufficient preparation for district staff.

1973 – Supervisory Union Task Force Report

At the time, there were 42 supervisory unions in New Hampshire, seven of which were single school districts.

Recommendations:

- School districts within a particular SAU should be natural social and economic units.
- Supervisory unions should not include more than 4 school districts.
- Supervisory unions should include at least 2,000 students.

1979 – A Report on the Study of NH Supervisory Unions

Thorough examination of responsibilities of SAU/superintendent.

Included recommended revisions to state law regulating SAUs, including regulations on how to form, expand or dissolve an SAU.

Additional recommendations:

- SAUs should not include more than four individual school districts
- An SAU should include a minimum of 2,000 students.
- State Board of Education should provide consultants to school districts/SAUs to help with questions relating to “organization and the management and delivery of services to children.”
- State Board of Education should annually review RSA 186:11 which restricts SAUs to “not more than 60” in terms of the needs of the state.
- State Board should retain authority for formation/realignment of SAUs.

1986 –School Supervisory Units – An Historical Review and Observations

Among other things, review charts change in SAUs from high of 64 in 1919, to 54 in 1933, to 48 in 1963, to 42 in 1973 (63 in 1989; 99 at present).

Decline in that period brought about by increase in cooperative school districts and AREA schools. Growth in population in Southern New Hampshire through the 1970s resulted in growth in number SAUs in that region.

“It would be difficult to prove that the creation of smaller SAUs has resulted in diminution of services – in fact the opposite may be true, at least in terms of how the provision of service is perceived by board members. It does, however, cost more money. The fact is, this is accepted as the “price to pay”; or in the case of the general public it may go unheeded.”

1987 – CRM: A Comprehensive Study of the Functions and Effectiveness of the SAU System of the State of NH

Identifies “two important conservative values are clashing in New Hampshire today”:

- Fiscal restraint – the desire to keep costs low by spreading the administrative costs Over two or more communities and as many as 6 or 8 communities. (represented by state Board of Education)
- Local control – the perception that the schools in a community need a local superintendent to respond to local concerns....(represented by Legislature)

“On the basis of the evidence reviewed, all of the single district SAUs and many of the multi-district SAUs are working well. The major SAU system problems are found in the larger multi-district SAUs.”

“The impact of reorganization (of SAUs) on the quality of education for students should be stressed more than any other factor.” (According to survey of superintendents)

Raises option of “voluntary collaboratives” which can provide “a wide variety of services” and are in use in 36 other states.

Problems in larger multi-district SAUs:

- SAUs are understaffed
- Superintendents are overworked, with demands from multiple boards and different administrative procedures in different districts. “Duplication of effort”
- People in small districts sending students to schools in other districts feel they don’t have adequate voice in children’s education.

1990 – The History of SAUs – Senate Research Office

Regarding SAU variations:

- “Variations in district size, wealth and social/cultural composition can be influential considerations in SAU reorganization divisions.”
- “There is a variation in the scope and organization of services across multi-district SAUs due to differences in the expectations of local boards, SAU size, and the size of central office staff and allocation of responsibilities between central office staff and district/school staff.”
- While changes in SAU structure have come before the State Board of Education through the years, “it also appears that the Board’s role has never been active for the purpose of remapping the state, but rather the primary emphasis has been to respond to district requests.”
- One result of multiplying SAUs in southern part of state in 1970s: “Often times the remaining (i.e. old) were financially poorer than the district that withdrew. The remaining districts had to function on their own without the financial help they once had from the larger district.”
- Until 1983, the SBOE authorized all reorganizations. Since then, the Legislature has overruled the SBOE on numerous occasions by allowing districts to withdraw from SAUs.

October 1992: Report to State Board of Education on School Administrative Units, as required by House Education Committee

- State Department of Education to devise systems of improving reporting of SAU costs with emphasis on uniformity of expense identification.
- Superintendents should be held accountable to just one school board.
- State BOE should seek further consolidation of SAUs.
- Further restructuring should be considered along county lines, Executive Council districts, “or other methods of regionalizing services.”
- Conclusion: “Current SAU structure generally successful.”

April – June 2003: House Education Subcommittee on Revising the School Administrative Unit System

Spurred by four bills in 2003 legislative session affiliated with SAUs, including two that sought to reduce the number of SAUs in the state.

Committee’s goal was to determine whether current state laws relative to SAUs “meet the needs of the people of New Hampshire.”

Among the findings from testimony: “some districts find that breaking away from larger units proves to be more efficient for some, while others may find it too costly or not feasible.”

Committee pegged growth in SAU numbers in recent years to the desire by some districts “to be closely connected to an SAU or a superintendent,” as well as “unmanageable distances” from a central office in some cases. In addition, there was considerable discussion about how finances across districts within an SAU are apportioned, and dissatisfaction about value for money. As for whether growth in number of SAUs was good or bad, “the message appeared to be mixed, but basically the theme was to let the citizens decide.”

Law leaves power to make decisions about SAU dissolution in the hands of districts.

Recommendations:

- “Let the system work,” but with continued monitoring by the Legislature or changes in SAU patterns.
- Revisit the apportionment system, currently determined by 50 percent average daily membership and 50 percent a district’s equalized property valuation. What other criteria might be considered?

Resulted in creation, in 2004, of SAU Legislative Oversight Committee, to monitor organization and withdrawal of districts from SAUs.

2007: Joint Legislative SAU Oversight Committee

Considered these questions:

- Are an increasing number of SAUs in the best interest of students and taxpayers?

- How are property rich and poor towns advantaged or disadvantaged by the current system?
- How are large towns or small towns affected?
- What is appropriately left to local decision-making and what is best decided at the state level?

Committee met through 2008, and proposed three changes to existing law:

- Voters choosing to withdraw from their SAU agree to engage a facilitator to meet with representatives of all districts in their SAU to discuss concerns, with the goal of resolving any problems.
- A neutral third party should prepare any withdrawal plans
- The state Board of Education should base recommendations on fiscal and educational impacts on all districts involved.

Recommendations were never acted upon by full Legislature.

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